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TO RUEHC/SECSTATE WASHDC PRIORITY 9712
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
RUEHCV/AMEMBASSY CARACAS PRIORITY 0699
RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY
RUMIAAA/CDR USSOUTHCOM MIAMI FL PRIORITY
RUEAHND/CDRJTFB SOTO CANO HO PRIORITY
RUMIAAA/CDR USSOUTHCOM MIAMI FL//CINC/POLAD// PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RHMFISS/DIRJIATF SOUTH PRIORITY
RUMIAAA/HQ USSOUTHCOM J5 MIAMI FL PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHDC PRIORITY
RUMIAAA/USOUTHCOM MIAMI FL PRIORITY

S E C R E T TEGUCIGALPA 000358

NOFORN
SIPDIS

E.O. 12958: DECL: 05/13/2019

TAGS: PGOV MOPS MARR SNAR PREL HO

SUBJECT: PRESIDENT ZELAYA GIVES USD12.5 MILLION TO THE
MILITARY TO COMMERCIALIZE SOTO CANO AIR BASE

Classified By: Ambassador Hugo Llorens, reasons 1.4 (b & d)

11. (C) Summary: On May 11 the Honduran government announced that President Zelaya had tasked the Honduran Military (HOAF) with the project of building a commercial terminal adjacent to the Honduran air force base at Soto Cano, which is home to the U.S. Joint Task Force-Bravo. The public announcement puts renewed focus on the GOH's plan to build the commercial terminal at Soto Cano and states that the GOH has set aside approximately USD 12.5 million for the HOAF to complete the project within six months. While, press reports have taken an alarmist approach to reporting on the commercialization plan, in actual fact the GOH has not yet produced any plans for the construction and has not made any progress on this issue since the idea was raised almost a year ago. End summary.

12. (S/NF) The decision to hand the project to the HOAF was the result of the GOH failure to convince Honduran airport concessions contractor Interairports to accept the contract. In fact, the GOH had been putting pressure on Interairports, including threats to their other business endeavors as well as personal threats of deportation against their Chilean-national general manager. There has been very little commercial interest in the project overall.

13. (S/NF) The Ambassador and DATT met with Minister of Defense Orellana on May 12 (Note: Orellana has been in his current position since February; prior to that he was Foreign Minister, where he made quiet efforts to slow progress on commercialization of the airport. End note.) Orellana said he had just returned from a meeting with President Zelaya, where Orellana had voiced his concerns about commercialization and about any disruption to current military operations at the base. He said Zelaya responded that no final determination had been made on where the terminal would be placed, and that the public statements were intended primarily for "public relations." While preliminary plans shared by the GOH with the Embassy in 2008 placed the project on the military side of the field, which would disrupt current operations to the maximum extent, Orellana has stated he feels that the best place is the west (unoccupied) side.

¶4. (S/NF) Honduran Chief of Defense Major General Vasquez has tasked Army Commander Brigadier General Garcia Padgett with the commercialization project. (Note: Garcia is the senior engineer in the HOAF; while he has construction experience, none of it involved airfield construction. End note.) The Honduran military has no construction plan for the project, though they believe that they can get the plans from Interairports. However, the only plans that Interairports has are conceptual drawings and not engineering or construction plans.

¶5. (SBU) While there have been press reports stating that funding for this project has been promised by Venezuela, in fact, the government plans to use funds in a Central Bank account already received through the Petrocaribe program. No/no new funds have been promised by the Venezuelan government.

¶6. (S/NF) Comment: This latest move underscores the total lack of progress on the project since President Zelaya demanded, a year ago, that a commercial terminal be operational at Soto Cano within 120 days. Furthermore, no new formal request has been made to the USG regarding such a project since late 2008, and no detailed plans have been developed for the project to date. Overall, the military is against commercialization of Soto Cano and we may see them slow-roll this, waiting for Zelaya's term to conclude in January 2010. We will continue to take the position that we have no objection to the GOH objective to build a commercial airport, but stress that our cooperation hinges on being able to review the government's technical and engineering plans for the project.

LLORENS